



May 10, 2023

To the Members of the U.S. House of Representatives

The U.S. Chamber of Commerce supports H.R. 1163, the “Protecting Taxpayers and Victims of Unemployment Fraud Act,” and we urge to you vote “yes” in support of the bill. This legislation would provide states an incentive to recover fraudulent unemployment compensation payments by allowing states to keep 25 percent of the federal pandemic UI funds and, upon meeting certain program integrity and fraud prevention requirements, 5 percent of the state UI funds that are recovered. Additionally, this bill would permit states to use the recovery rewards to improve fraud prevention and UI program integrity. Finally, this legislation would also extend the statute of limitation for prosecuting pandemic fraud, giving states more time to recuperate fraudulently paid funds.

Currently, states have limited resources and incentives to address the estimated \$60 billion to \$400 billion that was lost to UI fraud during the pandemic. This legislation directly responds by returning the recuperated federal UI dollars to the government and the state UI dollars to states’ UI trust funds. Returning the stolen state UI funds will help replenish state trust funds, thereby minimizing the impact to businesses’ payroll taxes. Furthermore, the recovery rewards will bolster states’ UI modernization efforts to improve system capabilities which will mitigate future instances of fraud at this scale in the future.

Fighting Pandemic UI fraud has garnered bipartisan support over the years. Most recently, fraud fighting measures were included in President Biden’s budget for fiscal year 2024. Specifically, the budget requests \$3.7 billion, \$522 million more than the Department of Labor received in 2023, to modernize UI systems and a direct investment of \$150 million to support identity verification and fraud prevention mechanisms.

The Protecting Taxpayers and Victims of Unemployment Fraud Act will help states address pandemic fraud, recuperating the billions of dollars that were stolen from the UI program, mitigate negative impact to businesses, and improve the overall effectiveness and longevity of the UI program.

We urge you to vote “yes” when Protecting Taxpayers and Victims of Unemployment Fraud Act comes to the floor later this week.

Sincerely,

Neil L. Bradley
Executive Vice President, Chief Policy Officer,
and Head of Strategic Advocacy
U.S. Chamber of Commerce